

रजिस्टर्ड नं० पी० ४६१.



राजपत्र, हिमाचल प्रदेश

(असाधारण)

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

शिमला, शनिवार, १५ सितम्बर, १९७३/२४ भाद्रपद, १८९५

GOVERNMENT OF HIMACHAL PRADESH

INDUSTRIES DEPARTMENT

NOTIFICATION

Simla-2, the 22nd February, 1973

No. 9-7/71-S.I. (Loans).—In exercise of the powers conferred by section 46 of the Himachal Pradesh State Aid to Industries Act, 1968 (Act No. 2 of 1971), the Governor, Himachal Pradesh is pleased to make the following rules for the purposes of the said Act, the same having been previously published *vide* this Government notification of even number, dated the 19th January, 1973.

RULES

1. (1) These rules may be called the Himachal Pradesh State Aid to Industries Rules, 1972.

(2) In these rules words and expressions have the same meaning as in the Himachal Pradesh State Aid to Industries Act, 1971.

(3) The 'Act' means the Himachal Pradesh State Aid to Industries Act, 1971.

(4) 'Board' means the Board of Industries referred to in section 3 of the Act.

(5) 'Section' means a section of the Act.

(6) These rules shall come into force at once.

Sections 10 and 46 (2) (a)

Travelling
allowance.

2. For attending meetings of the Board or of its sub-committees including co-opted members, if any, who are not Government servants and who do not ordinarily reside at the Headquarters of the Government shall be paid travelling allowance and halting allowance at the rates fixed for Government servants of highest Grade-I. The members of the Himachal Pradesh Legislative Assembly, will draw daily allowance and travelling allowance at the rates admissible to them when they attend the meetings of the Legislative Assembly. Government servants will, however, draw travelling and daily allowances admissible to officers of their Grade under the rules in force.

Sections 17, 19 and 46 (2)(b)

Application
for State Aid.

3. *Loans* (1).—An application for a loan by any person, co-operative society, firm or company, shall be submitted to the Director of Industries, Himachal Pradesh on the prescribed Form 'A' or as prescribed by him from time to time in individual or general cases and it shall contain a declaration signed by the applicant(s) (whether individual, co-operative society, firm or a company) to the effect that the particulars/facts mentioned in the application are true to the best of his/their knowledge and belief. In case of a firm, co-operative society or a company, the declaration should be signed by only an authorised partner of a firm, the Chairman/President/Manager/Secretary of a Co-operative Society and the Managing Director/Managing Agent of a Company, as the case may be. The application shall also contain information on the following points:—

- (a) nature of the Industrial concern for which aid is sought;
- (b) nature of the staff employed or to be employed for administrative, technical and executive purposes and qualifications of the members of such staff;
- (c) prospects of, and facilities available for, the development of the industry, such as sources of raw material, transport conveniences and marketing of the products and as far as possible, an estimate of the anticipated profits;
- (d) nature of the processes to be employed;
- (e) total cost, estimated as accurately as possible, of starting the industrial concern;
- (f) reasons for applying for financial assistance from Government;
- (g) nature and amount of the loan applied for;
- (h) security for the loan; on this point information shall be furnished regarding the financial resources of the applicant assets and revenues which will be available as security for the loan and

particulars of any existing charges thereon; and debts, and as to the additional assets which may be created by the utilisation of the loan applied for. These particulars shall be supplemented by the recent balance sheets and profit and loss accounts, where such exist, certified by an auditor entitled to audit the accounts of companies under the Companies Act, 1956. Information should also be furnished as to the Collateral Security offered, in the event of the above being found insufficient;

(i) the period, if any, over which the payment of loan should be spread.

(2) *Hire purchase*.—An application for the supply of machinery on the hire purchase system shall be submitted to the Director of Industries, Himachal Pradesh on the prescribed Form 'B' or as prescribed by him from time to time. At the same time the applicant shall furnish the information as prescribed for application for loans under clauses (a) to (i) of sub-rule (1) of rule 3 of these Rules.

(3) *Other Forms of State Aid*.—Applications for State Aid or other forms than those detailed in rule 3(1) and (2) above shall be in form as may be prescribed by the Director of Industries, Himachal Pradesh, generally or in individual cases, from time to time, but in so far grant of subsidy for individual artisans, it will be on prescribed Form 'C' for the time being.

Sections 17(i) and 46 (2)(g)

4. The grant of subsidy or forms of State Aid, other than the grant of loans and the machinery on hire purchase, shall be governed by such rules or directions as may be issued generally or in individual cases, by the Himachal Pradesh Government, in consultation with the Board.

A copy of sanction order issued by sanctioning authority will be endorsed to the concerned Treasury Officer and Accountant General, Himachal Pradesh and Chandigarh. The utilisation certificate about the proper utilisation of the subsidy shall also be furnished to the Accountant General, Himachal Pradesh.

Sections 15, 17(i)(g) and 46(2) (g)

5. Subsidy on power may be given to small scale industrial units having an installed load not exceeding 20 H. P. in one place for such period as the Government may notify from time to time.

Grant of
Subsidy.

Grant
subsidy
electric
power su
lied.

Sections 17 (i) (g) and 46(2) (g)

6. Subsidy will be given only if the industrial rate for power exceeds nine paise per unit. Difference between the prevailing industrial rate of electricity and nine paise will be treated as subsidy.

Sections 17 (1) (i) (g) and 46(2) (g)

7. The subsidy shall be granted on the energy consumed for running the industrial unit, as specified in rule 5 above. Charges on account of consumption of electricity from such industrialists will be realised by the Himachal Pradesh State Electricity Board or Municipal Corporation or any such local body which is supplying electricity to the consumers directly at the rate of 0.9 paise per unit only and the balance amount of actual bill of consumption of electricity would be charged by the Board or Municipal Corporation or any such local body as the case may be from the Industries Department, Himachal Pradesh through the District Industries Officer

or Assistant District Industries Officer concerned. The accounts of subsidy shall be maintained by the Himachal Pradesh State Electricity Board or Municipal Corporation or any such local body as the case may be.

Sections 17 (1) and 46 (2) (q)

Grant of
subsidy to
Small Scale
Industries.

8. In the case of small scale industries subsidy shall not exceed Rs. 5,000 in the case of any individual industrial unit and the same shall be subject to the restriction provided under rule 9:

Provided further that the Director of Industries shall have the discretion to recover the subsidy so granted if in his opinion the industrial unit has failed to establish or to run economically and profitably earning less than 10% of dividend on paid up capital within 5 years of the grant of the subsidy, in such instalments as considered suitable within two years by the Director of Industries making the declaration of the recovery. The recovery so effected shall be deposited in the Government treasury under the relevant receipt head of the Department of Industries.

Sections 17 (1)(i) and (ii) and 46 (2) (q)

9. No subsidy for conduct of research shall exceed 40% of the cost thereof and no subsidy for any other purposes shall exceed 50% of the cost thereof.

Sections 20 and 46 (2) (c)

Delegation
of powers.

10. A loan may be given to any person(s), firm, co-operative society or company by the following authorities to the extent mentioned against each:—

1. Director of Industries, Himachal Pradesh upto Rs. 30,000.
2. Deputy Director of Industries upto Rs. 20,000.
3. Project Executive Officer or Project Officer Rural Industries Project upto Rs. 20,000.
4. District Industries Officer or Assistant District Industries Officer, holding an independent charge in the District or a part of the District upto Rs. 10,000.
5. Development Officer holding an independent charge of the District or a part of the District upto Rs. 10,000.
6. Sub-Divisional Officer (Civil) holding an independent charge of the Border District/Sub-Division only when he is also discharging duties and functions of District Industries Officer/Assistant District Industries Officer in that District/Sub-Division upto Rs. 10,000.

A list of individual(s), firm(s), co-operative societies or companies to whom loans would be granted by the aforesaid authorities, shall be placed by the Director of Industries, Himachal Pradesh before the Board of Industries, Himachal Pradesh, for its information at its meeting following the grant, if the members of the Board so desire. A copy of sanction order issued by sanctioning authorities, will be endorsed to the Treasury Officers concerned/Accountant General, Himachal Pradesh. In case of sanction order issued by the authorities other than Director of Industries, Himachal Pradesh, a copy of such order be also endorsed by them to the Director of Industries, Himachal Pradesh.

Sections 21, 46 (2)(q)

Form of
bond/
certificate/
deed.

11. The form of deed to be executed for a loan shall be in Form 'D' where mortgage of immovable property of the applicant/applicants is to be mortgaged. In case mortgage of immovable property of some surety/sureties is involved, deed shall be executed in Form 'E'. The form of deed

for a loan against the personal security of the applicant/applicants and his/her/their sureties shall be in Form 'F'. Where loan to a co-operative society is to be granted, it shall be in Form 'G'.

Forms of Credit Worthiness certificate to be issued by an M.P./M.L.A./President of Municipal Committee, or a Gazetted Officer of the Himachal Pradesh Government and bond to be executed by the loanee(s) for grant of loans, not exceeding rupees 1,000 on their personal bonds shall be in Form 'H' and 'I' respectively. The form of affidavits in respect of applicant and his/her/their sureties, applying for loans not exceeding Rs. 10,000, shall be as in Form 'J' and 'K' respectively.

Sections 21, 36 and 46 (2) (q)

12. (1) The security for the repayment of loan or the price of machinery supplied on the hire purchase system and all interest due thereon and for the due fulfilment of the conditions of any loans or for the unpaid balance of the cost of the machinery granted under the hire purchase system shall be as follows:—

Nature and amount of security/condition of guarantee.

- (a) a mortgage on all the fixed assets of the industrial concern, including book debts, the premises and machinery whether existing or to be purchased with the loan or any portion thereof, provided that the estimated value of such assets in the opinion of the Director of Industries is not less than $1\frac{1}{2}$ times the amount of the loan or the unpaid balances of the price of the machinery, together with the personal security of the applicant; or
- (b) a mortgage on immovable property of the applicant or of his surety or sureties, if any, of a value equal in the opinion of the Director of Industries, to not less than $1\frac{1}{2}$ times the amount of the loan or the unpaid balance of the price of the machinery, together with the personal security of the applicant; or
- (c) a charge on any security or securities on which a trustee would be competent to invest trust money under section 20 of the Indian Trusts Act, 1882, equal to not less than 2 times of the amount of the loan on the unpaid balance of the machinery together with the personal security of the applicant; or
- (d) all or any two of the securities mentioned in (a), (b) and (c) above provided that the gross value of such securities is, in the opinion of the Director of Industries, equal to not less than $1\frac{1}{2}$ times the amount of the loan on the unpaid balance of the price of the machinery, together with the personal security of the applicant and his surety or sureties, if any;
- (e) in case of loans not exceeding Rs. 10,000 except loans for factories with a capital investment (capital investment for this purpose will mean investment in plant and machinery only) exceeding Rs. 7½ lakhs, irrespective of the number of persons employed, personal security of the applicant/applicants and his/her/their, at least two, sureties who should each solvent separately at least to the extent of 2 times of the amount of loan to be sanctioned;
- (f) in the case of an application for loan for an amount not exceeding Rs. 25,000 by a co-operative society established *inter-alia* with the object of facilitating the operation connected with an industry and duly registered under the Himachal Pradesh Co-operative societies Act for the time being in force or any other such Act(s) enacted thereafter, no security shall be required; provided that the liability of the members of the society in

accordance with its bye-laws or the rules made under the said Act, is not less than twice the amount of loan applied for;

- (g) a charge on the Life Insurance Policy purchased under the Life Insurance Corporation India Act, 1956 or a charge on the National Savings Certificates purchased under the National Savings Scheme; provided the paid-up amount of the policy or National Savings Certificates is equal to $1\frac{1}{2}$ times the amount of loan or the un-paid balance of the price of machinery together with the personal security of the applicant or applicants or his/their surety or sureties;
- (h) in the case of loans not exceeding Rs. 1,000 personal bond of the applicant/applicants rendered to the satisfaction of the authority sanctioning the loan;
- (i) in case of loan applications under the scheme for the development of Industries in the Industrial Areas in Himachal Pradesh, loans may be advanced to the purchasers of plots upto 75% of the cost of the plot, factory building already constructed or to be constructed and/or machinery already installed including the cash contribution to be made by them.

(2) No guarantee of cash credit, overdraft or fixed advance with a Bank shall be given unless the value of the security offered is at least equal to $1\frac{1}{2}$ times of the amount for which it is intended to be secured. The security shall consist—

- (a) a mortgage or a floating charge upon the assets of the industries;
- (b) a mortgage or a floating charge upon the other assets belonging to the applicant;
- (c) a mortgage or a floating charge upon the assets of surety or sureties of the applicant.

Further in case of a cash credit, overdraft or fixed advance in Bank the grant of loan shall be subject to such additional conditions as may be required by the Bank.

(3) The State Government shall in each case, on the recommendation of the Board, determine a period not exceeding 20 years for the guarantee of minimum return under clauses (e) and (f) of section 17 of the Act. In case of debentures every guarantee shall be secured by a mortgage or a floating charge, or both mortgage and floating charge, upon the whole of the assets of the industries subject to any encumbrances existing at the time when such guarantee is given. The condition of the guarantee of principal and interest on debentures shall be that an amount equal to the sum paid, or part thereof, as may be determined by the State Government, shall be repaid to the State Government at the close of such period as may be fixed by the State Government in this behalf if within the time the State Government is satisfied that the industry has been making reasonable profit. The guarantee of a cash credit, overdraft or fixed deposit with a Bank shall be on Scheduled Banks. If at the expiration of such fixed period, the cash credit or overdraft is not cleared or fixed advance not repaid and if the Bank with which the guarantee has been made so desire, the amount outstanding, both of the principal and interest, shall be immediately recoverable.

Sections 23, 24 and 46 (b) and (i)

Notice and
Declaration.

13. (1) Every notice issued under sub-section (1) of section 23 and every order passed under section 27 of the Act may be served on the person to whom it is addressed by sending it to him at the address entered in the deed, by registered post.

(2) If any such notice or order is to be served on a firm or a co-operative society it shall be deemed to have been served on such firm, if it is delivered, or posted to, or left at the usual place of above or business of any member of such firm in the manner prescribed in sub-rule (1) of this rule.

(3) If any such notice or order is to be served on a company or a co-operative society it shall be deemed to have been served, if it is left at; or sent by registered post to the registered office of the Company, or registered address of the Society or last known place of business.

(4) Every notice issued under section 23 of the Act shall be in Form 'N' attached to these rules and shall be under the signatures of the Director of Industries, Himachal Pradesh or by the Project Executive Officer/Project Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) of the area concerned or by any other officer subordinate to the Director of Industries authorised by the Director to sign and issue such notice.

14. Every declaration issued under sub-section (1) of section 24 of the Act shall be in Form 'Q' attached to these rules and shall be issued by the Director of Industries or by the Project Executive Officer/Project Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) of the area concerned or by an officer subordinate to the Director of Industries authorised by the Director to sign and issue such declaration.

Sections 26 and 46 (2) (f)

15. (1) The Director of Industries and/or Deputy Director of Industries/Project Executive Officer/Project Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil)/Extension Officer (Industries) or such officer and/or officers as may be authorised by him to inspect the premises, books, machinery, stock, stores, and other belongings and things connected with any industrial undertaking in respect of which a loan or a machinery under the hire purchase system has been granted under the Act, may for the purposes of such inspections enter such premises at any hour between sunrise and sunset, provided that when any building used as a human dwelling is entered under this rule, due regard shall be paid to the social and religious sentiments of the occupier and that before any apartment in the actual occupancy of any female, who according to custom does not appear in the public is entered under this rule, notice shall be given to her that she is at liberty to withdraw, and every reasonable facility shall be afforded to her for so doing.

Inspection

(2) Every such officer may require the recipient of a loan or a machinery under the hire purchase system to handover to him for examination all books kept in connection with the industrial undertaking in respect of which the loans or the machinery was granted.

(3) The accounts of any industrial business or enterprise in respect of which a loan under this Act has been granted shall unless specifically exempted by the Director of Industries be examined and audited at least once in every year by a registered auditor or by such officer as the Director of Industries may appoint, and it shall be the duty of such auditor or officer, as the case may be, to outline the method on which the books of the particular, industrial business or enterprises shall be kept.

(4) The Director of Industries, Himachal Pradesh may call for a return once in a year certified by an auditor or by such other officer as may be designated in this behalf and the return shall show—

- (a) a full and complete statement of the assets and liabilities;
- (b) a valuation of the assets as prescribed by rule 26 above; and
- (c) a working or manufacturing account showing—
 - (i) the out-turn of the industrial business or enterprises with the cost per unit of such out-turn;
 - (ii) the profit or loss on the marketing of the products produced; and
 - (iii) details of expenditure.

Section 29

16. The period of representation against an order issued under section 29 of the Act for the refund of the loan shall be one month from the date of issue of the order.

Sections 33 and 46(2) (j)

distribution
of profits.

17. No recipient of a loan or State Aid under this Act, shall pay any dividend or distribute or take out any profits in excess of such percentage rate upon the amount of capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or the guarantee remains in force. The balance of the profits after setting aside proper amount for depreciation or obsolescence of plant and building and for the payment of interest on debentures of loan shall be carried to a reserve fund to be utilised in such manner as the State Government may approve.

Sections 34 and 46(2) (k)

appointment
of
directors
Government.

18. In cases where the Local Government has *prima facie* reasons to believe that there is justification for the appointment of its own director or for the exercise of control over the conduct of industry to which State Aid has been given it shall give one month's previous notice to the borrower or the recipient of the State Aid to show cause against the appointment of Government Directors or the exercise of the State Government, control over the affairs of the industry if such borrower or recipient of the State Aid is unable to give a reply to the satisfaction of State Government, it may appoint such persons or officials as it may deem necessary, as Directors to exercise control over the affairs of the industry to safeguard the interests of State Government.

Sections 36 and 46(2) (l)

supply of
machinery
hire
purchase
system.

19. No machinery shall be supplied on the hire purchase system unless the applicant therefor deposits with the Director of Industries, Himachal Pradesh, at least 10 per cent of the cost of the said machinery.

Sections 37 and 46 (2) (n)

20. All machinery supplied on the hire purchase system shall, until the hiring is terminated in accordance with the Act, bear a metal plate with the following inscription:—

NOTICE

This machinery is the property of the Government of Himachal Pradesh, and any person who wilfully removes or defaces this plate is liable to a fine not exceeding Rs. 500.

Section 37 and 46 (2) (m)

21. The authority which sanctions the supply of machinery on the hire-purchase system shall ordinarily require that the Government shall be protected against the total or partial loss of such machinery from fire or any other cause by means of insurance, a mortgage of immovable property of the applicant or his surety or sureties, if any, the personal guarantee of one or more persons or in any other manner as may be deemed suitable in each case. The applicant shall further be required to execute a deed embodying such conditions as may be prescribed for the payment of the balance of the price after deducting the deposit made under section 36 and the interest or other charges to be incurred thereon. The deed shall contain such other conditions as may be imposed by the Director of Industries in any particular case.

22. If any machinery supplied on the hire-purchase system is seized and taken away under section 39 of the Act and the hirer exercises his option under section 40 of purchasing the same he shall pay, in addition to the unpaid balance of the cost thereon, and cost of any expenses incidental to such seizure and removal, such interest on the remaining unpaid instalment as would have fallen due on the payment of the next instalment of rent.

23. If the hirer wishes at any time to terminate the hiring of any machinery supplied to him on the hire purchase system, he shall give notice of his intention to the Director of Industries, Himachal Pradesh by registered post. The Director within one month of the receipt of this notice shall inspect the machinery or cause it to be inspected in such manner as he may think proper and shall issue orders for the removal of the said machinery. The Director may work out the depreciated value of such machinery by taking into account the condition of the machinery at the time of assessing the value of the same as also the date of its purchase.

Sections 39 and 46 (2) (o)

24. All notices issued under section 39 shall be in Form 'P'

Section 46 (2) (p)

25. All repayments of loans, interest or other sums due under the Act shall be made at a Government Treasury to the credit of Government in such manner as the Director of Industries may from time to time notify to the parties concerned. The treasury receipt shall be forwarded to the Director of Industries, for record in his office in token of repayment.

Section 46 (2) (q)

26. (1) The value of the assets of an applicant shall, so far as they do not consist of money, be taken to be—

- (a) in the case of fixed assets acquired by purchase for cash such as land, building, leasehold, railway sidings, plant and machinery, development of property trade marks and designs, etc. the price at which these assets were acquired, subject to proper deductions for depreciation, and such deductions shall be calculated in the case of buildings, machinery at the rates fixed as allowable depreciation under sub-section (2) of section 10 of the Indian Income-Tax Act, 1922; and any appreciable increase or decrease in the market value of site, machinery and building may also be taken into consideration;
- (b) in the case of fixed assets acquired by purchase otherwise than for cash, the value of the consideration at the time the assets were acquired subject to such appreciation or depreciation as may be allowed by the Board,
- (c) in the case of stores, spare gear or tools not taken into use,

Valuation
of security
assets.

- the cost price or the price of replacement whichever less;
- (d) in the case of stock stores, spare gear and tools which have been used but are still in stock, the cost price less than a proper deduction for depreciation;
- (e) in the case of stock in trade consisting of manufactured stock the actual market selling price at the time of valuation less a reasonable margin or where it consists of purchased stock, the cost price or price of replacement (whichever is less), less such reasonable margin as may be determined by the Board.
- (f) in the case of book debts, the nominal amount of those debts, provided that debts which are in the opinion of the Board doubtful debts and all debts which remain due and recoverable for a period of over two years shall not be taken into consideration;
- (g) in the case of investments, the market value of those investment on the day on which the valuation is made;
- (h) in the case of any other assets which have not been acquired by purchase the value of the assets at time which they became asset of the business subject to proper deduction for depreciation, provided that no value shall be placed upon the good will, patents or secret processes of any business.

(2) (a) The value of the assets, so far as they consist of money, shall be all cash with bankers or on hand and the value of cash in other countries shall be taken at the rate of exchange ruling on the day on which the valuation is made.

(b) The value of the additional assets that will be created by the application of the loan granted by Government shall be money expended in the acquisition of immoveable property and machinery of a permanent nature and on the liquidation encumbrances of the capital value of the Industries.

(c) The assets having been valued as above, all debts and liabilities of the business shall be deducted, other than accumulated profits and reserves and balances shall be the value of the business for the purpose of the Act.

Section 46 (2) (q)

Valuation
of properties
hypotheca-
ted for loans.

27. (1) The valuation of properties hypothecated for loans of the value of rupees 5,000 and under, shall ordinarily be done by an officer of the Industries Department free of charge.

(2) The valuation of property offered as security for loan exceeding Rs. 5,000 shall be done, free of charge, by an evaluation Committee, consisting the following subject to the conditions that all applications shall be accompanied by full particulars of property :—

- (i) For building/structure and land underneath them in urban area.

Project Officer/Project Executive Officer/District Industries Officer/Asstt. Distt. Industries Officer/Development Officer/Sub-Divisional Officer (Civil) in the District-as the case may be-and Assistant Engineer P.W.D. (B&R) of the area concerned or Engineer of Municipal Corporation/Municipal Committee/Notified Area Committee/Small Town Committee, as the case may be, or the Secretary of the Local Bodies.

- (ii) For land in the urban area. Tehsildar concerned and Project Officer/Project Executive Officer/District-Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil), as the case may be, in the district.
- (iii) For land and buildings in rural areas. Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil), as the case may be, in the district and the Tehsildar concerned and the Block Development Officer concerned.
- (iv) For machinery either in urban or rural area. Project Officer or Project Executive Officer or District Industries Officer or Assistant District Industries Officer or Development Officer or Sub-Divisional Officer (Civil), as the case may be, in the district and officer not below the rank of Assistant Engineer Mechanical or Electrical of the area or in the event of Assistant Engineer not being available in the area, the Technical Officer of the Department of Industries, Himachal Pradesh will work as member.

The convenor of all the committees shall be the Project Executive Officer or Project Officer or District Industries Officer or Assistant District Industries Officer or Development Officer or Sub-Divisional Officer (Civil), as the case may be, in the district concerned:

Provided that for any particular case, the Director of Industries, Himachal Pradesh may appoint a special evaluation committee consisting of such person or persons as he may appoint.

(3) The Director of Industries, Himachal Pradesh, may in cases where it may be deemed necessary make confidential enquiries from any bank regarding the financial standing, or the record in the bank of any person, firm or company requiring aid from Government under the Act. Such reports received from the bank shall be treated as confidential.

(4) The recipient of any State Aid shall maintain or cause to be maintained in good and substantial repair the premises, buildings/structures, machinery, plant and all other properties mortgaged to the State Government as security for State Aid and also the plant, machinery and other properties whether movable or immovable purchased out of the State Aid. He shall unless exempted by the authority sanctioning the State Aid, insure the mortgaged property against loss or damage by fire, flood, riots or any other cause and shall duly and punctually pay the premia payable in respect thereof as and when they become due and payable. In the event of failure to carry out any repairs or renewal of the insurances or to pay the premium when due the Director of Industries, Himachal Pradesh or the Government of Himachal Pradesh may repair or renew or pay the premiums as the case may be and the expenditure incurred shall form part of the loan or other State Aid secured by recipient with interest. The Insurance shall not be less than the amount of the State Aid given.

Section 46(2) (q)

Utilisation

28. Aid granted under the Act shall be applied to the purpose for which it is granted within a period of six months. The Director of Industries, Himachal Pradesh in exceptional cases, extend this period on written request of the recipient of State Aid to the extent he may deem fit but in no case more than two years from the date of disbursement of such aid. If at any time it is proved to the satisfaction of the Government or of the authority sanctioning the State Aid that the aid given under the Act or any part thereof, has been misutilised/partly utilised/not utilised, the whole aid or unpaid balance given under the Act with interest chargeable thereon and penalty thereof, and cost incurred, if any, shall become immediately payable and shall be recovered in the prescribed manner.

Section 46 (2) (i) and (q)

Repayments.

29. (1) The interest payable on the loans/aid advanced under the Act shall be at such rate, as may be fixed by the State Government in this behalf from time to time. Penal interest shall be levied by the State Government or authority sanctioning the loan on all instalments of principal or of interest etc., which is not paid on the due date or dates by the recipient of aid. The penal interest shall ordinarily be $2\frac{1}{2}$ per cent above the normal rate of interest, or as prescribed from time to time by the State Government. The penal interest chargeable on default in proper utilisation of subsidy shall also be $2\frac{1}{2}$ % above the normal rate of interest chargeable on industrial loan advanced under the Act or as prescribed from time to time by the State Government.

(2) The interest shall accrue from the date of disbursement and first instalment thereof shall fall due at the expiry of one year from the date of actual disbursement of loan. The interest shall be payable yearly, provided that for sufficient reasons, the yearly payment of interest in any case may be postponed at the discretion of the Director of Industries, for such period as he may deem fit. The repayment of interest so postponed shall not bear interest unless specifically required by an order of the Director of Industries to be added to the principal amount of loan, in which case it shall bear the same interest as is charged on the principal amount and shall be recoverable in the same manner as if it had been a part of the principal amount of loan:

Provided that in case of default in payment of interest without sanction for postponement by the Director of Industries, the interest in default shall be considered added to the amount of loan/aid and shall bear same interest as is charged on the principal amount of loan.

(3) The period of complete repayment of loan with interest due thereon, shall ordinarily be 8 years which in case of loan upto Rs. 30,000 may on sufficient grounds be extended by the Director of Industries on written request of the borrowers upto a maximum period of 11 years. In the case of loans above rupees 30,000 extension beyond 8 years shall not be allowed except with the previous permission of the State Government. The recovery shall ordinarily start on the completion of 2 years from the date of payment of the loan and shall be made in seven equal yearly instalments.

(4) In cases where the borrower is unable to pay a particular instalment or instalments at the proper time the Director of Industries, may on sufficient recorded reasons, allow an extension in the period of repayment, subject to the conditions that the maximum period of 11 years allowed by sub-rule (3) of Rule 29 above is not exceeded.

Such instalments as are due but the recovery of which has been postponed under this Rule, shall be considered as still forming part of the principal amount and shall bear interest and be recoverable in the same manner as the principal amount.

(5) The borrower may repay the whole or any portion of the loan before the due date.

Section 46 (2) (q)

30. The Project Executive Officer/Project Officer (Industries)/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) concerned may obtain annually acknowledgment of balances (as shown in the ledger maintained by him) from each loanee of the District/Area under his charge. The acknowledgment of balance will be obtained in Form 'M' or as prescribed by the Director of Industries, Himachal Pradesh. In case the loanee(s) concerned do not acknowledge the balances or raise(s) no objections within a period of one month from the date of issue of such acknowledgment, the balances so shown/intimated shall automatically be treated as acknowledged by the loanee(s).

Annual acknowledgment of balances.

Section 46 (2) (q)

31. In any case in which State Aid is granted under this Act, amounting to two lakhs of rupees or upwards, the Himachal Pradesh Government shall, and in any other case may, by the appointment of a Government director or directors or otherwise, take power to ensure such control over the conduct of the business or enterprise as shall suffice in their opinion to safeguard their interests.

FORM 'A'

INDUSTRIES DEPARTMENT, HIMACHAL PRADESH
FORM OF APPLICATION FOR LOAN

[Fill in part (a) or (b) which is applicable]

To

The Director of Industries/Deputy Director of Industries,
Himachal Pradesh, Simla-4.

The Project Executive Officer, Rural Industries Project.

The District Industries Officer/Assistant District Industries Officer.

Dear Sir,

I/We..... beg to apply for a loan of Rs.....
(Rupees.....) for the establishment/development of..... industry/industries, under the Himachal Pradesh State Aid to Industries Act, 1971.

The required particulars are given below:—

- (a) (1) Name, residence or in the case of a firm the style of the applicants concern along with principal place of business and location.
- (2) Whether sole proprietorship/Joint Hindu Family/Partnership.
- (3) Amount of loan required.
- (4) Purpose for which the loan is required.
- (5) Amount to be invested by the applicant from his own resources.
- (6) (i) Number of instalments.
- (ii) Date on which it is proposed that the first instalment should be due.

- (iii) Amount of each instalment.
 (7) Nature and particulars of security offered with area and name of owner(s) in case of land.
 (8) Name, parentage and residence of sureties (if any).
 (9) Nature and particulars of securities offered by the sureties.
 (10) S.S.I. Registration No.....

I/We declare that the statements made and the particulars given above are true to the best of my knowledge and belief and that to the best of my knowledge and belief there are no encumbrances other than those mentioned above on the land or other property offered as security for the loans applied for.

Signature of surety.
Date.....

Signature of applicant.
Date.....

- (b) (1) Name of Company/Co-operative Society and address of registered office.
 (2) Name and address of Director and the Manager or Managing Agent, Secretary and the Chief Executive Officer of the Company/Co-operative Society.
 (3) Present condition of the business of the Company/Co-operative Society:
 (i) Concerns.....
 (ii) Buildings.....
 (iii) Machinery.....
 (4) Amount of loan required.....
 (5) Object for which the loan is required, if it is proposed to supplement the loan by other capital the estimated cost of the whole undertaking to be financed partly by the loan would be stated. It should be stated whether the loan is required for working capital, purchase of machinery or erection of buildings.
 (6) (i) Number of instalments by which it is proposed to repay the loan.
 (ii) Date on which it is proposed that the first instalment should be due.
 (iii) Amount of each instalment.
 (7) Nature of security offered.....

Signature of Officer,
empowered to sign on behalf of the
Company/Co-operative Society.

Date.....

ACKNOWLEDGMENT RECEIPT

Received from..... an application for the grant of a loan of Rs..... for the establishment/development of..... on.....19..... The application has been registered under Dy. No..... which may please be quoted in all future correspondence to facilitate reference.

District Industries Officer.....
 Assistant District Industries Officer.....
 Project Executive Officer.....
 Development Officer.....
 Project Officer.....
 Sub-Divisional Officer (Civil).....

- Note.*—(1) If the security offered is land or other immovable property, sufficient particulars should be given to enable the land or other property to be easily identified; the nature and extent of any encumbrances on the land or property should also be stated.
- (2) If the security consists of immovable property application should be accompanied by a complete plan. In case of machinery, sufficient particulars of its name, maker etc. should be given for purposes of identification.
- (3) In case of land, reference should be made to any finally published record of right.
- (4) The application for the loan shall also contain information on the point as required by rule 3 of the rules issued under section 46 of the Himachal Pradesh State Aid to Industries Act, 1971.

FORM 'B'

FORM OF APPLICATION FOR THE SUPPLY OF MACHINERY
ON THE HIRE-PURCHASE SYSTEM
[FILL IN (a) OR (b) WHICH IS APPLICABLE]

- (a) 1. Name, parentage, caste and residence or in the case of a firm, style and principal place of business of applicant.
2. Nature and description of machinery required and its approximate value.
3. Object for which the machinery is required.
4. Place where the applicant proposes to set up the machinery.
5. The amount which the applicant is prepared to deposit being not less than 10% of the value of the machinery required.
6. (i) Number of instalments by which it is proposed to repay the loan.
- (ii) Date on which it is proposed that the first instalment should be made.
- (iii) Amount of each instalment.
7. Nature of security offered.
8. Name, parentage, caste and residence of sureties (if any).
9. Nature of security offered by sureties if any.
10. Small Scale Industries, Registration No.....

I declare that the statement made and the particulars given above are true to the best of my knowledge and belief and that to the best of my knowledge and belief there are no encumbrances other than those mentioned above on the land or other property offered as security for the loan applied for.

Signature of surety.

Signature of applicant.

Date.....

Date.....

- (b) (1) Name of the Company/Co-operative Society and address of Registered Office.
- (2) Name and addresses of Directors and of Manager and Managing Agents/Secretary and the Chief Executive Officer of the Company/Co-operative Society.

- (3) Nature and description of machinery required and its approximate value.
- (4) Object for which the machinery is required.
- (5) Place where the Company/Co-operative Society proposes to set up the machinery.
- (6) The amount which the Company/Co-operative Society is prepared to deposit (being not less than 10% of the approximate value of the machinery required).
- (7) (i) Number of instalments by which it is proposed to repay the loan.
(ii) Date on which it is proposed that the first instalment should be due.
(iii) Amount of each instalment.

*Signatures of the officer empowered to sign
on behalf of the Company/Co-operative Society.*

- N.B.*—(1) If the security offered is land or other immovable property sufficient particulars should be given to enable the land or other property to be easily identified, the nature and extent of any encumbrances on the land or property should also be stated.
- (2) If the security consists of immovable property, the application should be accompanied by a complete plan. In case of machinery, sufficient particulars of its name, maker etc., should be given for purpose of identification.
 - (3) In the case of land, reference should be made to any finally published record of right.
 - (4) The application shall also contain, information on the points mentioned in rule 3 of the rules issued under section 46 of the Himachal Pradesh State Aid to Industries Act, 1971.

FORM 'C'

FORM OF APPLICATION FOR GRANT OF SUBSIDY UNDER THE HIMACHAL PRADESH STATE AID TO INDUSTRIES ACT, 1971

1. Name, parentage, caste and residence of applicant, in case of a firm its name and style and principal place of business.
2. Amount of subsidy applied for.
3. Capital already invested and/or to be invested in the undertaking.
4. Object for which the subsidy is needed together with details of its proposed utilisation under the following heads:—
 - (a) Research work.
 - (b) Land and building.
 - (c) Machinery (Detailed list to be appended).
 - (d) Working capital.
5. Technical knowledge and experience of applicant.
6. Business and commercial experience of applicant.
7. Financial standing of applicant.
8. Does the applicant already possess a factory? If so, give a list of machinery installed and the existing manufacturing capacity per month.

9. Number and designation of the technical staff employed or proposed to be employed after the grant of subsidy.
10. Average number of workers employed or proposed to be employed after the grant of subsidy.
11. Goods proposed to be manufactured and state of demand in the country.
12. Are the raw materials readily available and in the required quantities?
13. Where is the product proposed to be sold?
14. Whether any other loan, subsidy or grant is being availed of by the applicant/firm and if so, the amount of aid sanctioned and the date and authority of the sanction should be specified.
15. Period during which the scheme contemplated is likely to be completed.
16. Any special reasons for the State Aid asked for.

Note.—A detailed statement showing the scope and economics of the proposed industry, analysis of cost of various operations of manufacturers, raw materials, wages, depreciations of machinery and equipment and complete costs of manufactures sale prices of finished goods and probable profits on sale must accompany this application.

Signature of the applicant.

FORM 'D'

THIS MORTGAGE DEED MADE THIS.....DAY OF.....19
BETWEEN

(a) The..... Limited, a Company incorporated in India and registered under the Companies Act, 1956 with registered office at.....

(b) a Society registered under Act XXI of 1860 or Himachal Pradesh Co-operative Societies Act, with principal place of business at.....

(c) (1).....son of.....caste.....
(2).....son of.....caste.....
(3).....son of.....caste.....
residing at..... and himself constituting the sole or only proprietor of the..... being all the partners.....
.....and carrying on business at.....
in the name and style of.....
(hereinafter himself/themselves its, his/their legal representatives, assignees, jointly and severally referred to as THE MORTGAGOR) of the first part;

And secondly, the Governor of Himachal Pradesh through the Secretary (Industries)/Director of Industries/Deputy Director of Industries/Project Executive Officer/Project Officer (Industries)/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) (hereinafter referred to as Himachal Pradesh Government) of the second part;

WHEREAS the Mortgagor has assured Himachal Pradesh Government that he is sole owner of.....
situate in.....at.....District.....
(the said property being detailed or described more particularly in Schedule 'I' to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever;

AND WHEREAS THE Mortgagor has applied under section 19 of the Himachal Pradesh State Aid to Industries Act, 1971 to the Director of Industries/Deputy Director of Industries/Project Officer/Assistant District Industries Officer/Project Executive Officer/District Industries Officer/Development Officer/Sub-Divisional Officer (Civil), Himachal Pradesh for a loan of Rs..... for the purpose..... and to secure the same by mortgage of properties referred in the said Schedule 'I' and the Himachal Pradesh (with the previous sanction of.....) has accordingly agreed to grant the said loan to the Mortgagor subject to the conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH THAT:

1. In pursuance of this agreement and for the purpose of in part securing the said sum of Rs..... (the receipt whereof the Mortgagor hereby acknowledged), the Mortgagor hereby covenants with Himachal Pradesh Government to pay to Himachal Pradesh Government before the..... day of..... 19..... the said sum of Rs..... with interest thereon at the rate of Rs..... per cent per annum and for so long as any part thereof shall remain owing, to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that—

(i) if the mortgagor shall pay the said sum of Rs..... by the following instalments:—

First instalment of Rs..... on the..... day of.... 19...
Second instalment of Rs..... on the..... day of.... 19...
Third instalment of Rs..... on the..... day of.... 19...
Fourth instalment of Rs..... on the..... day of.... 19...
Fifth instalment of Rs..... on the..... day of.... 19...
Sixth instalment of Rs..... on the..... day of.... 19...
Seventh instalment of Rs..... on the..... day of.... 19...
until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Himachal Pradesh Government will accept payment of the said sum of Rs..... by such instalments and will not take any steps to obtain payment of the said sum of Rs..... by auction, sale, possession, realisation of security hereby conveyed or otherwise:

Provided that interest for the first year shall be paid in accordance with rule 29 of the Himachal Pradesh State Aid to Industries Rules, 1972;

(ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Mortgagor to extend this date by a period not exceeding three years;

(iii) it shall be lawful for the Mortgagor at any time to repay the whole or any portion of the said loan by instalments exceeding the instalments referred to above or prior to the said due date or prior to the end of the extended period (if granted);

- (iv) the said loan is made under and shall remain in any case subject to the provision of the Himachal Pradesh State Aid to Industries Act, 1971 and any rules made or to be made thereunder;
- (v) the Mortgagor shall utilise the loan within a period of six months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Himachal Pradesh or any officer authorised by him from time to time in this behalf;
- (vi) the Mortgagor shall not except with the approval of the said Director of Industries previously obtained withdraw from the industrial concern for the purpose of which the said loan is hereby granted, any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case, so long as any part of the loan or State Aid remains unpaid or this deed remains in force;
- (vii) if the Mortgagor shall make default in compliance with any of the terms or conditions of this deed or in the repayment of any instalment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest what may be due thereon on the date or dates on which such moneys and such interest shall be payable the entire amount of the loan drawn by him and outstanding against him shall become immediately payable and from the date of default Government shall be entitled to charge interest at an enhanced penal rate of per cent per annum and without prejudice to other rights and remedies of Government, the said Director of Industries or any officer so authorised in this behalf may issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction.

2. And in further pursuance of this agreement and for the consideration aforesaid the Mortgagor as beneficial owner doth hereby grant, convey and assign unto Himachal Pradesh Government—

all the properties mentioned in the said Schedule 'I' and delineated in map or plan hereto annexed to have and to hold the same unto and to the use of Himachal Pradesh Government, its successors and assigns forever subject to the proviso for redemption herein-after contained.

3. Provided always that when the hereinbefore mentioned covenants for payment shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid Himachal Pradesh Government as Mortgagor shall at the request and cost of the Mortgagor reconvey the properties or remainder thereof as he shall direct.

4. And in further pursuance of this agreement and covenants referred to above the Mortgagor hereby agrees to insure against fire upto the full amount of the loan the entire machinery and stock in the said and if Himachal Pradesh Government so desires all other property hereby mortgaged and that the policy of insurance shall be taken out in the joint name of the Mortgagor and the Himachal Pradesh Government and that it shall be deposited with the Director of Industries, Himachal Pradesh. The Mortgagor shall pay all premiums, and at his own cost renew the policy

every year during the currency of the loan failing which Himachal Pradesh Government may pay the same and such premiums shall form part of the loan secured with interest under this mortgage.

5. It is further agreed by the Mortgagor that, notwithstanding anything hereinbefore contained, Himachal Pradesh Government or the Director of Industries, Himachal Pradesh may by appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given as shall suffice in their or his opinion to safeguard the interests of Himachal Pradesh Government in such industrial concern and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

6. It is further agreed that the stamp on this instrument, if any, shall be borne by the Mortgagor and the same shall be presented for registration by the Mortgagor and registered at his own cost.

7. It is further agreed that until the entire amount is repaid with interest, the Mortgagor will undertake free training of apprentices selected by the Director of Industries not exceeding three in number at any one time, in the work carried and that non-fulfilment of this clause shall be deemed a default in compliance with this deed.

SCHEDULE 'I'

(above referred to)

1. (In the case of a firm):

Signed by the above named firm of*through.....
partner of the said firm.

N.B.—The form of execution by the Mortgagor should be one in the appropriate form as follows.

N.B.—The Director of Industries should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and attention is called to section 58 (d) of the Indian Partnership Act, 1932; failing which, a special power of attorney should be demanded from absent partners in favour of the person signing, which should be retained with Government's copy of the mortgage.

In the presence of:

Witness (1)

Occupation

Address

Witness (2)

Occupation

Address

2. (In the case of a society):

The seal of the.....(the Society hereinbefore referred
to was hereunto affixed by virtue of resolution of the Governing Committee
No.....dated..... day of.....19....

*Name or names of firm or partners thereof.

In the presence of:

Member of the Governing Committee
Member of the Governing Committee
Member of the Governing Committee

3. (In the case of a Company):

The seal of the..... Company, Limited, was affixed
by virtue of resolution of the Board No..... dated.....
the.....day of.....19.....

In the presence of:

Director
Director
Secretary

N.B.—In the case of either a society under Act XXI of 1860 or Himachal Pradesh Co-operative Societies Act or a company incorporated under Companies Act, the Director of Industries should require a copy of the resolution above referred to certified as correct (either by one of the members of the Governing Committee of the society or by a Director or Secretary of the company, as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above always to execute the mortgage itself, and it is sometimes not convenient for them to do so in person as it involves all the officers in question appearing before the Sub-Registrar and bringing with them the seal of the society or company. If they so desire they may execute a special power of attorney authorising any respectable person preferably one of their own body to do all things necessary for the single transaction, viz., 'the completion of the Mortgage' which will be referred to in the preamble to such power of attorney. In that case the power of attorney will require to be executed on stamped paper.

4. (In the case of individual):

In the presence of:

Witnesses (1)

(2) Signed by the above named Mortgagor.

Signed on behalf of the Governor of
Himachal Pradesh by Secretary (Industries)/
Director of Industries/Deputy Director
of Industries/Project Officer/Project
Executive Officer/District Industries
Officer/Assistant District Industries Officer/
Development Officer/Sub-Divisional
Officer (Civil).

Mortgagee.

In the presence of:

Witnesses (1)

(2)

FORM 'E'

This Mortgage deed made this.....day of.....19.....

(A) The.....Ltd., a company incorporated in India and registered under the Companies Act, 1956, with registered office at.....

(B) Society registered under Act, XXI of 1860 or Himachal Pradesh Co-operative Societies Act with principal place of business at.....

(C) (1).....son of.....caste.....

(2).....son of.....caste.....

(3).....son of.....caste.....

residing at..... and himself constituting the sole or only proprietor/being all the partners of the..... and carrying on business at..... in the name and style of (hereinafter on behalf of himself/ themselves, its, his/their heirs, legal representatives, assignees, jointly and severally referred to as Mortgagor) of the first part;

AND SECONDLY—

(1).....son of.....caste.....

(2).....son of.....caste.....

(3).....son of.....caste.....

(hereinafter, on behalf of himself/themselves, his/their heirs, legal representatives and assignees, hereinafter referred to as the SURETY) of the second part;

AND THIRDLY, Governor of Himachal Pradesh through the Secretary (Industries)/Director of Industries/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) (hereinafter referred to as Himachal Pradesh Government) of the third part;

AND the..... (with the previous sanction) has accordingly agreed to grant the said loan to the Mortgagor subject to the conditions hereinafter appearing.

NOW THIS INDENTURE WITNESSETH THAT :

1. In pursuance of this agreement and for purpose of in part securing the said sum of Rs..... (the receipt whereof the Mortgagor hereby acknowledges) the Mortgagor hereby covenants with the Himachal Pradesh Government to pay to Himachal Pradesh Government before the..... day of.....19....the said sum of Rs..... with interest thereon at the rate of..... per cent per annum and for so long as any part thereof shall remain owing to pay interest at the rate aforesaid on the moneys for the time being so remaining owing provided nevertheless that—

(i) if the Mortgagor shall pay the said sum of Rs..... by the following instalments:—

First instalment of Rs.....on the..... day of....., 19..

Second instalment of Rs.....on the..... day of....., 19..

Third instalment of Rs.....on the..... day of....., 19..

Fourth instalment of Rs.....on the..... day of....., 19..

Fifth instalment of Rs.....on the..... day of....., 19..

Sixth instalment of Rs.....on the..... day of....., 19..

Seventh instalment of Rs.....on the..... day of....., 19..

until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, subject to the terms and conditions hereinafter contained, Himachal Pradesh Government will accept payment of the said sum of Rs. by such instalments and will not take any steps to obtain payment of the said sum of Rs. by auction, sale, possession, realisation of security hereby conveyed or otherwise;

WHEREAS the Mortgagor has assured Himachal Pradesh Government that he is sole owner of situated in at District (the said property being detailed or described more particularly in Schedule 'I' to this deed) and that the same is not mortgaged or charged or otherwise encumbered in any way whatsoever;

AND WHEREAS the Surety/Sureties has assured Himachal Pradesh Government that he/they is/are the sole proprietor/proprietors of the situated at District (the same being more particularly described in Schedule 'II' to this deed) and that the said property like-wise is not mortgaged or charged or otherwise encumbered in any way whatsoever;

AND WHEREAS the Mortgagor and the Surety/Sureties have jointly and severally agreed whenever called upon by Himachal Pradesh Government to do so, to insure the whole or any part of all properties hereinafter referred to against fire throughout the period of the mortgage;

AND WHEREAS the Mortgagor has applied under section 19 of the Himachal Pradesh State Aid to Industries Act, 1971, to the Secretary (Industries)/Director of Industries/Deputy Director of Industries/Project Executive Officer/Project Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) for a loan of Rs. for the purpose of and to secure the same by mortgage of properties referred to in the said Schedule 'I' and the surety has/sureties have agreed in accordance with rule 12 of the rules made under section 46 of the Himachal Pradesh State Aid to Industries Act, 1971, to give as a security for the repayment of the said loan, the mortgage hereinafter contained upon the properties referred to in the said Schedule 'II':

Provided that interest for the first year shall be paid in accordance with rule 29 of the Himachal Pradesh State Aid to Industries Rules, 1972;

- (ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Mortgagor to extend this date by a period not exceeding three years, without reference to the surety;
- (iii) it shall be lawful for the Mortgagor at any time to repay the whole or any portion of the said loan exceeding the instalment referred to above or prior to the said due date or prior to the end of the extended period (if so granted);
- (iv) the said loan is made under and shall remain in any case subject

to the provisions of the Himachal Pradesh State Aid to Industries Act, 1971 and any rules made or to be made thereunder;

- (v) the Mortgagor shall utilise the loan within a period of six months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Himachal Pradesh, or any officer authorised by him from time to time in this behalf;
- (vi) the Mortgagor shall not except with the approval of the said Director of Industries, previously obtained, withdraw from the industrial concern for the purpose of which the said loan is hereby granted any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this deed remains in force;
- (vii) if the Mortgagor shall make default in compliance with any of the terms or conditions of this deed or in the repayment of any instalment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest what may be due thereon on the date or dates on which such moneys and such interest shall be payable the entire amount of the loan drawn by him and outstanding against him shall become immediately payable and from the date of default Government shall be entitled to charge interest at an enhanced rate of..... per cent per annum and without prejudice to other rights and remedies of Government the said Director of Industries or any officer so authorised in this behalf may issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction.

2. AND in further pursuance of this agreement and for the consideration aforesaid the Mortgagor as beneficial owner doth hereby grant, convey and assign unto Himachal Pradesh Government, all the properties mentioned in the said Schedule 'I' delineated in the map or plan hereto annexed to have and to hold the same unto and to the use of Himachal Pradesh Government, its successors and assigns forever subject to the proviso for redemption hereinafter contained.

3. AND THIS INDENTURE further witnesseth that in future pursuance of this agreement and as security for the said sum of Rs..... and interest the surety as beneficial owner doth hereby grant, convey and assign unto Himachal Pradesh Government all and several the properties referred to in the Schedule 'II' and those delineated in the map or plan hereto attached to have and to hold the same unto and to the use of Himachal Pradesh Government, its successors and assigns forever subject to the proviso for redemption hereinafter contained, and the surety doth further covenant that if the Mortgagor shall make default in the payment of the loan hereby granted and the moneys hereby secured or any part thereof or of any interest thereon, on the date or dates on which the same shall be or become payable then the whole of the said loan and interest whether added to the principal and itself being interest or not or such part as may then or thereafter be due and unpaid shall become due and payable by the surety (ies) jointly and severally and Himachal Pradesh Government shall be at liberty to recover the same from the surety (ies) or from the property hereby mortgaged

by sale thereof or by a notice under the Himachal Pradesh State Aid to Industries Act, 1971 may think fit and that whether Himachal Pradesh Government shall have pursued all or any of its remedies against the Mortgagor or his property hereby mortgaged or not.

4. Provided always that when the hereinafter mentioned covenants for payment shall have been satisfied and the principal sum together with all interest due thereon shall have been entirely paid, Himachal Pradesh Government as Mortgagee and Surety respectively reconvey the properties or remainder thereof as they respectively shall direct.

5. And in further pursuance of the agreement of covenants referred to above, the Mortgagor and the surety do hereby agree to insure the entire machinery and stock in the said.....and if so required, all other properties hereinafter referred to, against fire to the full extent of the loan and that the policy of insurance shall be taken out in the joint name of the Mortgagor (or Surety) and the Himachal Pradesh Government and that it shall be deposited with the Director of Industries, Himachal Pradesh. The Mortgagor or Surety shall pay all premiums and at his own cost renew the policy every year during the currency of the loan failing which Himachal Pradesh Government may pay the same and add such premiums and all expenses with interest to the loan hereby secured.

6. It is further agreed by the Mortgagor and Surety that, notwithstanding anything hereinbefore contained, Himachal Pradesh Government or the Director of Industries, Himachal Pradesh may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in their or his opinion to safeguard the interest of Himachal Pradesh Government in such industrial concern, and that the Mortgagor shall forthwith comply with all recommendations made by the Director of Industries or the director so appointed.

7. It is further agreed that the stamp on this instruments, if any, shall be borne by and the same shall be presented for registration by and at the cost of the Mortgagor.

8. It is further agreed that until the entire amount is repaid with interest the Mortgagor will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh not exceeding three in number at any one time, in the work carried on by the Mortgagor and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

SCHEDULE NO. I

(above referred to)

SCHEDULE NO. II

(above referred to)

In witness where of the parties have hereunto set their hands in theYear of Republic of India:

(a) (In the case of a firm):

Signed by the above named firm of*.....through
.....partner of the said firm.

N. B.—The form of execution by the Mortgagor or surety be one in the appropriate forms as follows:—

*Name or names of firm or partner thereof.

N. B.—The department should be satisfied from a partnership deed or otherwise that the executant has full powers as such to bind the firm and in the connection attention is called to section 58 (d) of the Indian Partnership Act, 1932. Failing such power in the partnership deed a special power of Attorney should be demanded from absent partners in favour of the persons signing which should be retained with Himachal Pradesh Government's copy of the lease.

In the presence of :—

Signature

Occupation/Address

Signature

Occupation

Address

(b) (In the case of a Society)

The seal of the.....(the Society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Governing Committee No.....dated the.....day of.....19

In the presence of :—

Member of Governing Committee.

Member of Governing Committee.

Member of Governing Committee.

(c) (In the case of company)

The seal of the.....(the company Ltd.) affixed by virtue of resolution of the Board No.....dated the.....day of....19

In the presence of:—

Director.

Secretary.

N. B.—In the case of either a society under Act XXI of 1860 of Himachal Pradesh Co-operative Societies Act, or a Company incorporated under the Companies Act, the department should require a copy of the resolution above referred to certified as correct (either by one of the members of the Governing Committee of the Society or by a Director or Secretary of the Company (as the case may be) authorising the particular executant or executants sign or to affix the seal.

It is however not necessary for the persons mentioned above invariably to execute the instrument itself, and it is sometimes not convenient for them to do so in person as it involves all the Officers in question appearing before the Sub-Registrar and bringing with them the seal of the Society or Company. If they so desire they may execute a special power of attorney authorising any respectable person preferably one of their own body, to do all thing necessary for the single transaction viz, the completion of the instrument which will be referred to in the preamble to such power of attorney. In that case the power of attorney will require to be executed on stamped paper.

(d) (In the case of individual)

Signature of the Mortgagor.

Witness:

1.....

2.....

Signature of surety or sureties.

Signed on behalf of the Governor of Himachal Pradesh by Secretary (Industries)/ Director of Industries/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/ Assistant District Industries Officer/ Development Officer/Sub-Divisional Officer (Civil).

Witness:

(1).....

(2).....

Mortgagee.

FORM 'F'

This Agreement made on the.....day of.....19 ..

Between:

(a) The..... Ltd., a company incorporated in India and registered under the Indian Companies Act, 1956 with registered office

(b) The.....a firm registered under..... with the principal place of business at.....

(c) (1).....s/o.....

(2).....s/o.....

(3).....s/o.....

(4).....s/o.....

(5).....s/o.....

Residing at..... and himself constituting the sole or only proprietor of the/being all the partners.

Industrial concern carrying on business at..... in the name and style of..... (hereinafter on behalf of himself/themselves, its/his/their heirs, legal representatives, assignees, jointly and severally referred to as the PRINCIPAL OF THE first part.

AND SECONDLY

(1).....s/o.....
residing at.....

(2).....s/o.....
residing at..... (hereinafter on behalf of themselves, their heirs, legal representatives and assigns, hereinafter referred to as sureties of the second part.

AND THIRDLY

The Governor of Himachal Pradesh, through the Director of Industries/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/ Development Officer/Sub-Divisional Officer (Civil) (hereinafter referred to as Government) of the third part.

Whereas the principal has applied under section 19 of the Himachal Pradesh State Aid to Industries Act, 1971 to the Director of Industries Himachal Pradesh/Deputy Director of Industries/Project Officer/Project

Executive Officer/District Industries Officer/Asstt. Distt. Industries Officer/Development Officer/Sub-Divisional Officer (Civil) for a loan of Rs....for the purpose of.....and Sarvshri have agreed in accordance with rule 12 of the rules made under section 46 of the Himachal Pradesh State Aid to Industries Act, 1971 to stand as sureties for the payment of the said loan.

AND the Director of Industries, Himachal Pradesh/Dy. Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Asstt. Distt. Industries Officer/Development Officer/Sub-Divisional Officer (Civil) has accordingly agreed to grant the said loan to the Principal subject to the conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH THAT

1. In pursuance of the said agreement and the purpose of in part securing the said sum of Rs.....(the receipt whereof the Principal hereby acknowledged) the Principal hereby covenants with the Government to pay to the Government before the.....day of19. the said sum of Rs.....with interest thereon at the rate of Rs.....per cent per annum and for so long as any part thereof shall remain owing to pay interest at the rate aforesaid on the moneys for the time being so remaining owing, provided nevertheless that—

(i) If the Principal shall pay the said sum of Rs..... by the following instalments:—

First instalment of:

Rs.....on the.....day of.....19 .

Second instalment of:

Rs.....on the.....day of.....19 .

Third instalment of:

Rs.....on the.....day of.....19 .

Fourth instalment of:

Rs.....on the.....day of.....19 .

Fifth instalment of:

Rs.....on the.....day of.....19 .

Sixth instalment of:

Rs.....on the.....day of.....19 .

Seventh instalment of:

Rs.....on the.....day of.....19.

Until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, than subject to the terms and conditions hereinafter contained Government will accept payment of the said sum of Rs.....by such instalments and will not taken any steps to obtain payment of the said sum of Rs.....by auction, sale, possession, realisation of security hereby conveyed or otherwise:

Provided that interest for the first year shall be paid in accordance with rule 29 of the Himachal Pradesh State Aid to Industries Rules, 1972 .

(ii) It shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Principal to extend this date by a period not exceeding three years without reference to the sureties.

(iii) That it shall be lawful for the Principal at any time to repay

the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if so granted).

- (iv) The said loan is made under and shall remain in any case subject to the provisions of the Himachal Pradesh State Aid to Industries Act, 1971 and any rules made or to be made thereunder.
- (v) The Principal shall utilise the loan amount properly within a period of six month from the date of disbursement or such extended period as may be allowed by the Director of Industries, Himachal Pradesh or any Officer authorised by him from time to time in this behalf.
- (vi) The Principal shall not except with the approval of the said Director of Industries previously obtained withdraw from the Industrial concern for the purpose of which the said loan is hereby granted any profits (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the Industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this agreement remains in force.
- (vii) If the Principal shall make default in compliance with any of the term or conditions of this deed or in the repayment of any instalment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest what may be due thereon on the date or dates on which such moneys and such interest shall be payable the entire amount of the loan drawn by him and outstanding against him shall become immediately payable and from the date of default Government shall be entitled to charge interest at an enhanced penal rate of.....per annum and without prejudice to other rights and remedies of Government, the said director of Industries or any Officer so authorised in this behalf may issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by Civil Court in exercise of its ordinary original jurisdiction.
- (viii) It shall be lawful for the Government to have a floating charge in favour of the Governor, Himachal Pradesh or the assets of the Industrial concern including book debts, stocks and stores, premises and machinery, whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof till the repayment of the loan and payment of interest due thereon, in full, and these assets will not be mortgaged by the principal with any other agency without the prior consent of the said Director of Industries in writing.

2. And this agreement further witnesseth that in further pursuance of the said agreement and as security for the said sum of Rs. and interest the sureties doth hereby agree that if the Principal shall make default in the payment of loan hereby granted or any part thereof or of any interest thereon on the date or dates on which the same shall be or become payable than the whole of the said loan and interest

whether added to the principal and itself being interest or not/or such part as may then or thereafter be due and unpaid shall become due and payable by the sureties jointly and severally and Government shall be at liberty to recover the same from the sureties by a notice under the Himachal Pradesh State Aid to Industries Act, 1971 as Government may think fit.

3. It is further agreed by the principal and sureties that notwithstanding anything hereinbefore contained, the Director of Industries, Himachal Pradesh may by the appointment of its own directors or otherwise exercise such control over the conduct of the industries to which State Aid has been given, as shall suffice in his opinion to safeguard the interest of Government in such industrial concern and that the principal shall forthwith comply with all recommendations made by the Director of Industries or the Director so appointed.

4. It is further agreed that the stamp on this instrument, if any, shall be borne by the principal.

5. It is further agreed that until the entire amount is repaid with interest the principal will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh, not exceeding three in number, at any one time, in the work carried on by the principal and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

In witness whereof the parties have hereunto set their hands in the..... year of the Republic of India:—

(a) (In the case of a firm) signed by the above named firm of the Principal

N.B.—The Department should be satisfied from a partnership deed or otherwise that the executant has full power as such to bind the firm and in this connection attention is called to section 58(d) of the Indian Partnership Act, 1932, failing such power in the partnership deed as special power of attorney should be demanded from the absent partners in favour of the persons signing, which should be retained with Government's copy of the agreement.

In the presence of:—

Signature
Occupation
Address
Signature
Occupation
Address

(b) (In the case of a company).

The seal of the Company, Ltd., was affixed by virtue of resolution of the Board No..... in the presence of:

Director
Director
Director

N.B.—In the case of company incorporated under the Companies Act the Department should require a copy of the resolution above referred to certified as correct by a Director or Secretary of the company (as the case may be) authorising the particular executant or executants to sign or to affix the seal. It is, however, not necessary for the persons mentioned above invariably to execute the instrument itself and it is sometimes not convenient for them to do so in person as it involves all the officers in

question appearing before the Sub-Registrar and bringing with them the seal of the Company. If they so desire they may execute a special power of Attorney authorising any respectable persons preferable one of their own body to do all things necessary for the single transaction, viz, the completion of the instruments which will be preferred to in the preamble to such power of attorney. In that case the power of Attorney will require to be executed on stamped papers.

In the presence of:—

Signature of the sureties.

(i)

(i)

(ii)

(ii)

(i)

(ii)

Signed for and on behalf of
the Governor of Himachal
Pradesh by Director of industries/Dy. Director of Industries/
Project Executive Officer/
Project Officer (Ind.)/District
Industries Officer/Assistant
District Industries Officer/
Development Officer/Sub-Divisional Officer (Civil).

FORM 'G'

THIS Agreement made on the.....day of.....19 .
BETWEEN:

.....a Society registered under the.....
.....with principal place of business at.....
(hereinafter referred to as the society which expression shall, where the context so admits, include its successor, and assigns) of the first part.

AND Secondly the Governor of Himachal Pradesh, through the Director of Industries, Himachal Pradesh/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) (hereinafter referred to as Himachal Pradesh Government) of the second part.

WHEREAS the society has applied under section 19 of the Himachal Pradesh State Aid to Industries Act, 1971 to the Director of Industries, Himachal Pradesh/Deputy Director of Industries/Project Officer/Project Executive Officer/District industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) for a loan of Rs.....for the purpose of.....

AND whereas the Society has been established with the objects of facilitating the operation of.....industry and whereas the total amount of liability of the members of the Society in accordance with the bye-laws of the Society or rules made under the Himachal Pradesh Co-operative Societies Act.....is not less than twice the amount of loan applied for.

AND whereas the.....
has accordingly agreed to grant a loan of Rs.....to be utilised for.....to the Society subject to the conditions hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH THAT

1. In pursuance of the said Agreement for purpose of in part securing the said sum of Rs.....(the receipt whereof the Society hereby acknowledges) the Society hereby covenants with the Himachal Pradesh Government to pay to Himachal Pradesh Government before the.....day of.....19, the said sum of Rs..... with interest thereon at the rate of Rs.....per cent per annum and for as long as any part thereof shall remain owing, to pay interest at the rates aforesaid on the moneys for the time being so remaining owing provided nevertheless that:—

(i) if the Society shall pay the said sum of Rs..... by the following instalments:—

First instalment of Rs.....on the.....day of.....19.

Second instalment of Rs.....on the.....day of.....19.

Third instalment of Rs.....on the.....day of.....19.

Fourth instalment of Rs.....on the.....day of.....19.

Fifth instalment of Rs.....on the.....day of.....19.

Sixth instalment of Rs.....on the.....day of.....19.

Seventh instalment of Rs.....on the.....day of.....19.

until the whole sum due shall be paid and shall with each such instalment pay interest at the rate aforesaid on the amounts remaining due immediately before such payment, then subject to the terms and conditions hereinafter contained, Himachal Pradesh Government will accept payment of the said sum of by such instalments and will not take any steps to obtain payment of the said sum of Rs..... by auction, sale, possession, realisation of security hereby conveyed or otherwise:

Provided that interest for the first year shall be paid in accordance with Rule 29 of the Himachal Pradesh State Aid to Industries Rules, 1972.

(ii) it shall be lawful for the Director of Industries, Himachal Pradesh at his sole discretion and at the request of the Society to extend this date by a period not exceeding three years, provided that the maximum period of repayment, of the entire loan and interest shall not on the whole exceed 11 years;

(iii) that it shall be lawful for the Society at any time to repay the whole or any portion of the said loan exceeding the instalments referred to above prior to the said due date or prior to the end of the extended period (if granted);

(iv) the said loan is made under and shall remain in any case subject to the provisions of the Himachal Pradesh State Aid to Industries Act, 1971 and any rules made or to be made thereunder;

(v) the Society shall utilise the loan within a period of six months from the date of disbursement or such extended period as may be allowed by the Director of Industries, Himachal Pradesh or any Officer authorised by him from time to time in this behalf;

(vi) the Society shall not except with the approval of the said Director of Industries, Himachal Pradesh previously obtained withdraw from the industrial concern for the purpose of which the said loan

is hereby granted, any profit (or declare or distribute dividends) in excess of such percentage rate upon the amount of the capital of the industrial concern as may be determined by the Director of Industries, Himachal Pradesh, in each case so long as any part of the loan or State Aid remains unpaid or this agreement remains in force;

(vii) if the society shall make default in compliance with any of the terms or conditions of this deed or in the repayment of any instalment of the loan hereby granted and the moneys hereby secured or any part thereof together with any interest what may be due thereon on the date or dates on which such moneys and such interest shall be payable the entire amount of the loan drawn and outstanding against shall become immediately payable and from the date of default Government shall be entitled to charge interest at an enhanced rate of..... per cent per annum and without prejudice to other rights and remedies of Government the said Director of Industries or any other officer so authorised in this behalf may issue a notice under section 23 of the said Act and the moneys duly specified therein shall become immediately payable as if a money decree therefor had been passed by a Civil Court in exercise of its ordinary original jurisdiction;

(viii) it shall be lawful for the Government of Himachal Pradesh to have a floating charge in favour of the Government of Himachal Pradesh on the assets of the society including book debts, stocks and stores, premises and machinery existing or to be purchased with the aid of the loan hereby granted or with any portion thereof till the repayment of the loan and payment of interest due thereon, in full and these assets will not be mortgaged by the society with any other agency without the prior consent of the said Director of Industries, in writing.

2. It is further agreed by the society that notwithstanding anything hereinbefore contained, the Director of Industries, Himachal Pradesh may by the appointment of its own directors or otherwise exercise such control over the conduct of the industry to which State Aid has been given, as shall suffice in his opinion to safeguard the interest of Himachal Pradesh Government in such industrial concern and that the society shall forthwith comply with all recommendations made by the Director of Industries, or the director so appointed.

3. It is further agreed that the stamp on this instrument, if any, shall be borne by the society.

4. It is further agreed that until the entire amount of loan is repaid with interest, the society will undertake free training of apprentices selected by the Director of Industries, Himachal Pradesh not exceeding three in number, at any one time in the work carried on by the society and that non-fulfilment of this condition shall be deemed a default in compliance with this deed.

IN WITNESS WHEREOF the parties have hereunto set their hands in theyear of the Republic of India.

Signed for and on behalf of the above named society.

The seal of the.....(the society hereinbefore referred to) was hereunto affixed by virtue of a resolution of the Managing Committee No.....dated the.....day of.....19.....

In the presence of:
Member of Managing Committee
Member of Managing Committee
Member of Managing Committee

In the presence of:—

Witnesses:

- 1.
- 2.

Signed for and on behalf of
the Governor of Himachal
Pradesh by the Director of
Industries, Himachal Pradesh/
Deputy Director of Industries/
Project Officer/Project Executive
Officer/District Industries
Officer/Assistant District
Industries Officer/Development
Officer/Sub-Divisional Officer
(Civil).

FORM 'H'

CERTIFICATE OF CREDIT WORTHINESS TO BE ISSUED BY A MEMBER OF PARLIAMENT, MEMBER OF LEGISLATIVE ASSEMBLY OR PRESIDENT OF MUNICIPAL COMMITTEE OR A GAZETTED OFFICER OF THE GOVERNMENT

Whereas Shri/Sarvshri.....son/sons of.....
resident of.....Village/Town.....,Tehsil.....,
District.....and carrying on business under name and style of
.....has/have applied to the Secretary (Industries)/
Director of Industries/Deputy Director of Industries/Project Officer/Project
Executive Officer/District Industries Officer/Assistant District Industries
Officer/Development Officer (Industries)/Sub-Divisional Officer (Civil) for a
loan of Rs.....(Rupees.....) under the provision
of the Himachal Pradesh State Aid to Industries Act, 1971 on his/their
personal security and a certificate of credit worthiness is to be issued
by member of Parliament/Member of Legislative Assembly/President of
municipal Committee or a Gazetted Officer, I.....hereby certify
as unde:—

1. That the facts stated by the said Shri/Sarvshri.....in
his/their application, dated.....are correct to the best
of my knowledge.
2. That I personally know Shri/Sarvshri.....for the last
.....years. He/they is/are engaged.....industry
for the last.....years.
3. That the said Shri/Sarvshri.....has/have good reputa-
tion in the market/locality and is/are credit worthy. He/they
are man/men of financial integrity and is/are in genuine need of
the loan for the development of.....industry.
4. That the loan of Rs.....(Rupees.....) if
advanced by the Director of Industries/Deputy Director of Indus-
tries/Project Officer/Project Executive Officer/District Industries
Officer/Assistant District Industries Officer/Development

Officer (Industries)/Sub-Divisional Officer (Civil) to the said Shri/Sarvshri.....is not likely to be wasted or misused by him/them and he/they possess/possesses sufficient money as well as property to repay the loan.

5. That I certify that I fully understand the implication of the certificate which is being signed by me.

Signature

Address

Member of Parliament/M.L.A./
President of Municipal Committee or a Gazetted Officer.

Witness:

- 1.
- 2.
- 3.

FORM 'I'

PERSONAL BOND TO BE EXECUTED BY THE BORROWER

Whereas I/we applied for a loan for Rs.....and a loan of Rs.....has been sanctioned to me/us by the Director of Industries/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) under the provisions of the Himachal Pradesh State Aid to Industries Act, 1971 and whereas I/we am/are required to execute a bond in respect of the loan of Rs.....

I/We.....son/sons ofresident ofvillage.....,Tehsil....., District.....hereby agree and bind myself/ourselves to the Government of Himachal Pradesh as under:—

- (1) That I/we shall apply the money lent to me/us for the purpose of.....for which it has been sanctioned and to no other purpose.
- (2) That I/we shall fulfil all the conditions specified in, on which the loan has been sanctioned and maintain a regular and complete account of the expenditure incurred in order to prove the proper utilisation of the loan advanced to me/us.
- (3) That I/we shall be bound by all the provisions of the Himachal Pradesh State Aid to Industries Act, 1971 and any rules made or to be made thereunder and/or any instructions issued by the Secretary (Industries)/Director of Industries/Deputy Director of Industries/Project Executive Officer/Project Officer (Industries)/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) from time to time.

- (4) That I/we shall pay back to the Secretary (Industries)/Director of Industries/Deputy Director of Industries/Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil) Himachal Pradesh the said amount of Rs..... along with interest thereon at the rate of.....per cent per annum in the following instalments on or before the dates mentioned below:—

First instalment of Rs.....on the.....day of.....,19 .
 Second instalment of Rs.....on the.....day of.....,19 .
 Third instalment of Rs.....on the.....day of.....,19 .
 Fourth instalment of Rs.....on the.....day of.....,19 .
 Fifth instalment of Rs.....on the.....day of.....,19 .
 Sixth instalment of Rs.....on the.....day of.....,19 .
 Seventh instalment of Rs.....on the.....day of.....,19 .

Provided that interest for the first year shall be paid by me/us in accordance with rule 29 of the Himachal Pradesh State Aid to Industries Rules, 1972.

- (5) It shall be lawful for the Government to have a floating charge in favour of the Governor of Himachal Pradesh on the assets of the industrial concern including book debit, stocks and stores, premises and machinery whether existing or to be purchased with the aid of the loan hereby granted or with any portion thereof till the repayment of the loan and payment of interest due thereon, in full, and these assets, will not be mortgaged by the principal with any other agency without the prior consent of the said Director of Industries, in writing.
- (6) That the Director of Industries, Himachal Pradesh may at my/our request and his discretion extend the date of payment of any or all the aforesaid instalments, provided that the whole of the period of the repayment of the loan does not exceed 11 years.
- (7) That if I/we do not properly utilise the loan within the period of six month or if I/we do not comply with any conditions of the loan or any provision of Himachal Pradesh State Aid to Industries Act, 1971 or the rules made or to be made thereunder, or I/we make default in compliance with of the terms and conditions of this bond or in the payment of the whole or any part of the loan or instalment and/or interest due on the date or dates on which the same is payable then the whole of the said loan and interest then remaining due to the said Government of Himachal Pradesh shall become immediately payable recoverable from me/us and from the date of default Government shall be entitled to charge penal interest at an enhanced rate of.....per cent per annum.
- (8) That I/we agree to pay the stamping charges, if any, of the bond myself/ourselves.

Signature

Dated.....day of.....,19 .

Witness:

- 1.
- 2.

FORM 'J'

Is/o Shri.....aged.....years.....
resident of village.....Tehsil.....District.....
Himachal Pradesh do hereby solemnly affirm and declare as under:—

1. That I have not obtained any loan previously from any Government Department.
2. That I have not stood surety in any loan case.
3. That I shall contribute 25% of the loan granted to me.
4. That I shall utilise the loan within the prescribed period for the purpose for which it has been applied for.
5. That I shall not shift my present premises without written permission of the Department.
6. That I am to be the sole proprietor of the concern or the proposed unit.
7. That I agree to accept the loan under the terms and conditions governing the grant of loan under the Himachal Pradesh State Aid to Industries Act, 1971 and also agree to abide by all rules framed thereunder from time to time.
8. That I was not carrying on any business jointly nor holding any property jointly with the sureties.
9. That I am not a member of any Industrial Co-operative Societies.
10. That I do not form joint family with any of the sureties.
11. That I undertake to return the loan in instalment as may be fixed by the Department.
12. That I shall open joint account with the Department, if so needed by the Department.

Deponent.

I further solemnly affirm and declare that the facts stated above are true and correct to the best of my knowledge and belief and that no part of it is false and nothing has been cancelled therein.

Deponent.

ATTESTATION

FORM 'K'

WHEREAS Shri.....s/o Shri....., resident of village....., Tehsil....., District....., P.O..... has applied to the Director of Industries, Himachal Pradesh for the grant of loan of Rs.....(Rs.....) under the Himachal Pradesh State Aid to Industries Act, 1971, I.....s/o Shri.....of village....., P.O....., Tehsil....., District.....have agreed to stand surety for the repayment of the proposed loan or any part of it in case of loanee does not repay the same. I solemnly affirm and declare that I have not stood surety for any body else nor I have obtained any financial assistance from any source and have not applied for the same to any agency. I further solemnly declare that I am the sole owner of the following immovable property of the total value of Rs.....(Rupees.....) only, which is

free from all encumbrances:—

<i>Sl. No.</i>	<i>Description of property</i>	<i>Value</i>
----------------	--------------------------------	--------------

I solemnly declare that I neither constitute joint Hindu family with the applicant and the other sureties nor hold any property or business jointly with them.

Dated.....

Deponent.

Witness:

1.

2.

ATTESTATION

Certified that the surety is the sole owner of the above property and its present value is Rs.....(Rupees.....) only.

Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil).

Certified that the financial position and integrity of surety is sound.

Project Officer/Project Executive Officer/District Industries Officer/Assistant District Industries Officer/Development Officer/Sub-Divisional Officer (Civil).

FORM 'M'

ANNUAL ACKNOWLEDGEMENT OF BALANCES

As per entries in the Loan Ledger maintained in the office of the under-signed the following amount of Principal and Interest remains outstanding against you as on 31st March, 19....

		<i>Balance on</i> 31-3-197	<i>Already</i> <i>paid</i>	<i>Total</i>
(a) Principal	Rs.			
(b) Interest	Rs.			
(Normal and Compound/ Penal).				

Please acknowledge receipt.

*Signature of officer issuing the
acknowledgement.*

Name

Address of.....

LOANEE.....

Acknowledgement of Loanee

- (a) I/We accept the payment/balances shown above as correct.
- (b) The balances/payments shown above are not correct. The correct figures of balances/payment etc. are as under and the reasons/

documents justifying the same are attached.

	<i>Balances on 31-3-197</i>	<i>Already paid</i>	<i>Total</i>
(a) Principal			
(b) Interest			
<i>Signature and parentage of loanee(s) with complete address.</i>			

Note.—Strike off which are not applicable.

FORM 'N'

FORM OF NOTICE UNDER SECTION 23 AND 27 OF THE ACT

WHEREAS.....was/were granted a loan of Rs.....under section 21 of the Himachal Pradesh State Aid to Industries Act, 1971 and whereas the said.....executed a deed on the19.....in which among other things, he/they covenanted to.....and whereas the said.....has/have failed to comply with this condition/these conditions (in consequence of which failure an order/ a declaration/dated.....passed was made directing the said.....under section 27 of the Act.....dated.....19.....to pay which order he has not complied with)/that the said loan was immediately repayable.

Now, therefore, I hereby give notice to the said.....to pay to me the sum of Rs.....on or before the.....19.....in default of which a declaration will be issued under sub-section (1) of section 24 of the Act and that the said sum of Rs.....is due and that the property described in the schedule attached to the said deed is liable for the satisfaction of the said debt.

Signature of the Officer.

Dated.....

FORM 'Q'

FORM OF NOTICE UNDER SECTION 24

WHEREAS a notice was served on.....on the.....19.....under section 23 of the Himachal Pradesh State Aid to Industries Act, 1971 calling upon the said.....to pay to me the sum of Rs.....before the.....19.....and whereas the said sum has not been paid, I hereby declare that the sum of Rs.....is due from the said.....and that the property described in the attached schedule is liable for the satisfaction of the said debt.

Signature of Officer.

Date.....

Signature of Officer.

Dated.....

SCHEDULE

FORM 'P'
FORM OF NOTICE UNDER SECTION 39

WHEREAS.....was assisted in the purchase of the machinery mentioned in the enclosed Schedule, on the hire-purchase system; and Whereas the said.....paid..... percentage of the price, leaving balance of Rs.....and agreed to pay this balance by.....and

WHEREAS the said.....failed to comply with this/ these condition (s) by not having paid.....in consequence of which failure the entire balance of the price amounting to Rs..... and interest thereon is immediately repayable. Now, therefore, I hereby give notice to the saidto pay to me the sum of Rs.....within sixteen days from the notice in default of which the hiring shall be terminated and the machinery mentioned in the Schedule shall be seized and disposed of in such manner as I may consider reasonable.

Dated.....

*Director of Industries,
Himachal Pradesh.*

SCHEDULE